

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 554 – SB 1052

March 16, 2017

SUMMARY OF BILL: Authorizes mobile cranes in Davidson, Hamilton, Shelby, Knox, and Rutherford counties to move between 6:00 a.m. and 9:00 a.m. and between 3:00 p.m. and 6:00 p.m. from Monday through Friday. Requires the Commissioner of the Department of Transportation (TDOT) to issue single permits to cover the movements of multiple mobile cranes owned and operated by the same applicant, if an applicant chooses to obtain a single permit. Requires such permit to be issued in the same manner, and be subject to the same restrictions, as if TDOT had issued separate permits for each individual mobile crane.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Up to \$2,679,000/Highway Fund

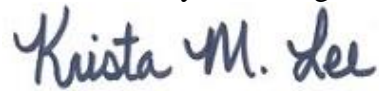
Assumptions:

- The proposed legislation authorizes a company to purchase a single permit to be utilized across the company's entire fleet, instead of having to purchase a separate permit for each mobile crane.
- TDOT issued 1,068 fixed load permits to 138 companies in 2016.
- This included two separate types of fixed load permits: a 120,000 pound annual permit at a cost of \$1,500 per mobile crane and a 150,000 pound annual permit at a cost of \$3,000 per mobile crane.
- A total of 162 annual permits for 120,000 fixed loads were issued to 88 companies, resulting in permit fee revenue of \$243,000 (162 x \$1,500); a total of 906 annual permits for 150,000 fixed loads were issued to 50 companies, resulting in permit fee revenue of \$2,718,000 (906 x \$3,000) in 2016.
- The total annual revenue to the Highway Fund under current law is estimated to be \$2,961,000 (\$243,000 + \$2,718,000).
- The legislation requires single permits that will cover the movements of multiple mobile cranes owned and operated by the same company to be issued in the same manner, and be subject to the same restrictions, as if TDOT has issued separate permits for each individual mobile crane. However, it is unclear if TDOT will be able to charge a permit fee for the single annual permit in the aggregate amount that it would charge a company for all of its permits if issued separately for each mobile crane. It is further unclear if TDOT will have the ability to charge an additional fee if a company obtains additional mobile cranes during a year for which a single permit has been issued.

- To the extent TDOT is unable to charge a fee for a single annual permit in the aggregate amount that it would have charged a company for a permit for all of its mobile cranes under current law, this legislation will result in a potential recurring decrease in state revenue to the Highway Fund up to \$2,679,000 [$\$2,961,000 - (88 \times \$1,500) - (50 \times \$3,000)$].
- Any fiscal impact for authorizing mobile cranes in Davidson, Hamilton, Shelby, Knox, and Rutherford counties to move between 6:00 a.m. and 9:00 a.m. and between 3:00 p.m. and 6:00 p.m. from Monday through Friday is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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